



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OFFICE OF FEDERAL
PROCUREMENT POLICY

November 10, 1999

MEMORANDUM FOR SELECTED MEMBERS OF THE PRESIDENT'S MANAGEMENT
COUNCIL AND OTHER AGENCY OFFICIALS

FROM: Deidre A. Lee /signed/
Administrator

SUBJECT: Agency Electronic Commerce Progress Reports on Federal Purchasing
and Payment for FY 1999

This memorandum requests that Executive departments and selected agencies submit a progress report to the Office of Management and Budget (OMB) identifying the activities they have undertaken in FY 1999 to use electronic commerce (EC) in their purchasing and payment processes. Section 30 of the Office of Federal Procurement Policy (OFPP) Act requires the OFPP Administrator to submit to Congress an annual report on the implementation of EC by Federal agencies. Agency reports will form the basis of OMB's next report to Congress on EC activity. This report is due by March 1, 2000.

Agency reports should describe progress made in FY 1999 on their plans, submitted to OMB pursuant to OMB Memorandum 99-02, to implement the government-wide strategic plan, *Electronic Commerce for Buyers and Sellers*. Agency progress reports should specifically address activities undertaken in furtherance of each of the building blocks identified in the government-wide strategic plan, which is available at <http://policyworks.gov/epic>. Thus, reports should contain separate entries addressing: (1) change management, (2) electronic catalogs, (3) electronic payments, (4) identification and authentication, (5) contract formation and administration, (6) contract writing systems, and (7) federal systems interfaces.

Agencies should ensure that discussion in the "change management" building block addresses efforts being undertaken to comply with section 30(c)(1), (2), and (3) of the OFPP Act. These provisions require that the head of each executive agency ensure that systems, technologies, procedures, and processes –

- (1) are implemented with uniformity throughout the agency, to the extent practicable;

(2) are implemented only after granting due consideration to the use or partial use, as appropriate, of existing electronic commerce and electronic data interchange systems and infra-structures such as the Federal acquisition computer network architecture known as FACNET; and

(3) facilitate access to Federal government procurement opportunities, including opportunities for small business concerns, socially and economically disadvantaged small business concerns, and business concerns owned predominantly by women.

Agencies should indicate in their discussion of each building block whether progress is on track with expectations reflected in their implementation plans. If an agency has significantly modified its milestones or the major initiatives it is pursuing, this should be noted as part of the discussion of the effected building block(s). If these modifications significantly affect a major acquisition, agencies should indicate how this is reflected in the agency's budget submission (i.e., Exhibit 53 and 300B under OMB Circular A-11).

Agencies are encouraged to highlight successful efforts to reengineer buying and paying processes that take advantage of new technologies to improve the efficiency and effectiveness of those processes. As in OMB's report on FY 1998 activity, *Electronic Purchasing and Payment in the Federal Government*, available at <http://policyworks.gov/epic>, OMB may highlight these efforts in the FY 1999 report to Congress. Agencies may wish to refer to OMB's FY 1998 report in preparing their submissions.

An agency EC progress report should be prepared by each of the departments and agencies identified in Attachment A. Reports should be submitted to OFPP by December 20, 1999. Questions regarding this guidance should be directed to OFPP (Julie Basile, 202-395-4821, or Mathew Blum, 202-395-4953).

Attachment

Agencies Subject to OMB Memorandum

The following is a list of agencies to which OMB Memorandum is applicable:

- The Department of Agriculture
- The Department of Commerce
- The Department of Defense
- The Department of Education
- The Department of Energy
- The Department of Health and Human Services
- The Department of Housing and Urban Development
- The Department of the Interior
- The Department of Justice
- The Department of Labor
- The Department of State
- The Department of Transportation
- The Department of the Treasury
- The Department of Veterans Affairs
- The Agency for International Development
- The Environmental Protection Agency
- The Federal Emergency Management Agency
- The General Services Administration
- The National Aeronautics and Space Administration
- The Nuclear Regulatory Commission
- The Office of Personnel Management
- The Small Business Administration
- The Social Security Administration